

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA

UNITED STATES OF AMERICA,

No. C 06-00556-1 CRB

Plaintiff,

ORDER

v.

GREGORY L. REYES,

Defendant.

By Tuesday, November 6, 2007, the parties shall submit a brief addressing the following issues:

1. The propriety of measuring loss with a model based upon loss causation principles, as exemplified by cases such as United States v. Olis, 429 F.3d 540 (5th Cir. 2005), United States v. Grabske, 260 F. Supp. 2d 866 (N.D. Cal. 2002), and United States v. Bakhit, 218 F. Supp. 2d 1232 (C.D. Cal. 2002).

2. Whether the appropriate measure of “the life of the fraud” is January 24, 2002 to January 23, 2005, and if not, whether there is a more appropriate measure;

3. Whether the appropriate measure of time “after disclosure of the fraud” is January 24, 2005 to May 19, 2005, when Brocade issued a press release announcing its financial results for the second fiscal quarter, and if not, whether there is a more appropriate measure;

1 4. A calculation of the average price of Brocade stock during the temporal periods
2 delineated in the Court's order, as well as a calculation of the average price of Brocade stock
3 during the temporal periods recommended by the parties;

4 5. An estimation of the number of harmed shares;

5 6. Whether other factors, unrelated to fraud, affected the price of Brocade stock during
6 the life of the fraud and after disclosure of the fraud.

7 **IT IS SO ORDERED.**

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10 Dated: October 30, 2007



CHARLES R. BREYER
UNITED STATES DISTRICT JUDGE